

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**SB 750 – HB 809**

March 12, 2016

**SUMMARY OF ORIGINAL BILL:** Requires the Department of Economic and Community Development to submit the annual report regarding the Tennessee job skills program to the Office of Legislative Budget Analysis, in addition to the Finance, Ways and Means Committees of the Senate and House of Representatives. Authorizes such report to be submitted electronically.

**FISCAL IMPACT OF ORIGINAL BILL:**

NOT SIGNIFICANT

**IMPACT TO COMMERCE OF ORIGINAL BILL:**

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (012952):** Deletes all language of the original bill. Creates the Aeronautics Economic Development Fund, composed of funds appropriated by the General Assembly and gifts, grants, and other donations. Authorizes grants from the Fund to be made in all counties where the Commissioner of the Department of Transportation (TDOT) determines that such grants will have a direct impact on employment and investment opportunities in the future. Authorizes such grants to be made only to local governments or their economic development organizations, other political subdivisions of the state, including airport authorities, or any subdivision of state government. Authorizes such grants to be used to facilitate economic development activities related to aeronautics and related programs and activities. Authorizes TDOT to use up to five percent of money appropriated to the Fund in any given year to offset the cost of program administration, marketing expenses, and program evaluation.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Increase State Expenditures – Exceeds \$500,000/FY17-18 and Subsequent Years/  
Aeronautics Economic Development Fund**

**Increase Local Revenue – Exceeds \$500,000/FY17-18 and Subsequent Years**

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Assumptions for the bill as amended:

- There are no funds appropriated in the Governor's proposed budget for FY16-17 for the purposes of this legislation. It is assumed that no expenditures will be made for establishing and implementing the program in FY16-17.
- The amount of funding that will be necessary in FY17-18 and subsequent years to successfully accomplish the intent and requirements of this act is unknown. However, it is reasonably estimated that at least \$500,000 will be expended annually by TDOT to implement the program and to provide grants to authorized entities to facilitate economic development activities related to aeronautics and related programs and activities.

## **IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

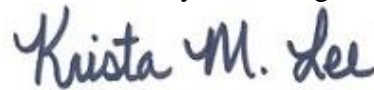
### **Increase Business Revenue – Exceeds \$300,000/FY17-18 and Subsequent Years**

Assumptions for the bill as amended:

- Grants from the Fund will be used by authorized entities to facilitate economic development activities related to aeronautics and aeronautics related programs and activities. It is assumed that private sector businesses will be utilized to provide assistance and administration of such programs and activities.
- As a result, business revenue is estimated to increase by a minimum of \$300,000 per year.
- Grants will be made only in counties where the Commissioner of TDOT determines that such grants will have a direct impact on employment and investment opportunities in the future. However, any such direct impact on employment and future investments cannot be quantified with reasonable certainty.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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